

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-)
MENT CLAUSE OF MEADE COUNTY) CASE NO. 8609
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1,)
1980, TO OCTOBER 31, 1982)

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on September 21, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Meade County Rural Electric Cooperative Corporation ("Meade County") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Meade County filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 1.99 mills per KWH to the base rates of Meade County's wholesale supplier, Big Rivers Electric Corporation ("Big Rivers") in Case No. 8587. Approval of Big Rivers' proposal requires that Meade County also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Meade County in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Meade County has complied in all material respects with the provisions of 807 KAR 5:056.

2. Meade County's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 1.99 mills per KWH in Case No. 8587.

3. Meade County should be authorized to increase the rates charged its customers by 2.16 mills per KWH in order to transfer fuel costs rolled in by Big Rivers from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8587 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

5. The monthly fuel adjustment clause filing form currently being filed by Meade County should be revised.

IT IS THEREFORE ORDERED that the charges collected by Meade County through the fuel adjustment clause for the period

November 1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Meade County be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8587.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Meade County on and after July 1, 1983, which is also the effective date for Big Rivers' rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Meade County shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Meade County for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 7th day of July, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 8609 DATED JULY 7, 1983

The following rates and charges are prescribed for the customers in the territory served by Meade County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

Rate Schedule 1 - Residential, Farm and Non-Farm, Schools & Churches*

Customer charge - No KWH usage	\$ 4.33
First 300 KWH per month	5.816 ¢ per KWH
Next 700 KWH per month	4.492 ¢ per KWH
All over 1,000 KWH per month	4.115 ¢ per KWH

Rate Schedule 2 - Commercial Rate*

Customer charge - No KWH usage	\$ 4.33
First 500 KWH per month	6.289 ¢ per KWH
Next 500 KWH per month	5.712 ¢ per KWH
All Over 1,000 KWH per month	4.974 ¢ per KWH

Rate Schedule 3 - General Service, 0-49 KVA*

Energy Charge

Customer charge - No KWH usage	\$ 4.33
First 500 KWH per month	6.089 ¢ per KWH
Next 500 KWH per month	5.583 ¢ per KWH
All Over 1,000 KWH per month	4.831 ¢ per KWH

Rate Schedule 4 - Large Power Service, Over 50 KVA*

Rates:

\$2.36	per month per KW of billing demand plus energy charge of:
5.153¢	per KWH for the first 100 KWH used per month per KW of billing demand
4.586¢	per KWH for the next 100 KWH used per month per KW of billing demand
4.351¢	per KWH for the next 100 KWH used per month per KW of billing demand
4.207¢	per KWH for all remaining KWH used per month

Rate Schedule 5 - Outdoor Lighting Service - Individual Consumers*

175 Watt unmetered, per month	\$5.97
175 Watt metered, per month	3.65
400 Watt unmetered, per month	7.89
400 Watt metered, per month	3.65

Rate Schedule 6 - Street Lighting Service - Community, Municipalities, and Towns*

175 Watt, per month	\$5.15
400 Watt, per month	\$7.14

*The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

MONTHLY FUEL ADJUSTMENT CLAUSE (FAC) Report

Appendix B
Page 1 of 3

COMPANY: _____

POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____		Purchased Power - Month of: _____	
1. Total Purchases	_____	13. Fuel Adjustment Charge (Credit):	_____
2. Sales (Ultimate Consumer)	_____	A. Billed by supplier	_____
3. Company Use	_____	B. (Over) Under Recovery (L12)	_____
4. Total Sales (L2 + L3)	_____	C. Unrecoverable - Schedule 2	_____
		D. Recoverable Fuel Cost	_____
		(L13 A+B-C)	_____
5. Line Loss & Unaccounted for	_____	14. Number of KWH Purchased	_____
(L1 less L4)	_____	15. Supplier's FAC:	_____
		\$ per KWH (L13A + 14)	_____

(Over) or Under Recovery - Month of: _____		Line Loss	_____
6. Last FAC Rate Billed Consumers	_____	16. Last 12 Months Actual (X) -	_____
7. Gross KWH Billed at the Rate	_____	17. Last Month Used to Compute L16	_____
on L6	_____	18. Line Loss for Month on L17 (%)	_____
8. Adjustments to Billing (KWH)	_____	(L5 + L1)	_____
9. Net KWH Billed at the Rate on	_____	Calculation of FAC Billed Consumers	_____
L6 (L7 + L8)	_____	19. Sales as a Percent of Purchases	_____
10. Fuel Charge (Credit) Used to	_____	(100% less percentage on L16)	_____
Compute L6	_____	20. Recovery Rate \$ per KWH	_____
11. FAC Revenue (Refund) Resulting	_____	(L13D + L14)	_____
from L6 (net of billing adj.)	_____	21. FAC \$ per KWH (L20 + L19)	_____
12. Total (Over) or Under	_____	22. FAC \$ per KWH (L21 x 100)	_____
Recovery (L10 less L11)	_____		_____

Line 22 reflects a Fuel Adjustment Charge (Credit) of _____ \$ per KWH to be applied to bills rendered on and after

_____, 19____. Issued on: _____, 19____.

Issued by: _____ Title: _____

Address: _____ Telephone: _____

SCHEDULE 1
TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE COMPUTATION
FOR _____, 198__

	(a) <u>KWH PURCHASED</u>	(b) <u>KWH SOLD</u>	(c) <u>OFFICE USE</u>	(d) <u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -	=====	=====	=====	=====

(d) _____ ÷ (a) _____ = _____ Enter on line 16 of the current month's
(FAC) Report

SCHEDULE 2
CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

1. Purchases For the Month (KWH) _____
2. Less Line Loss (10% x L1) _____
3. Sales (L1 less L2) _____
4. Unrecoverable Fuel Charge Per KWH:
 - a. FAC Rate based on Actual Line Loss
(Current Month's Report L15 ÷ (100% Less L16) \$ _____
 - b. FAC Rate based on 10% Line Loss
(Current Month's Report L15 ÷ 90%) _____
 - c. Increment unrecoverable \$ _____
5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line
13c of current month's FAC report) \$ _____

Note: This schedule is to be filed for each month that the 12 month actual Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.